GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3051
ANSWERED ON:23.03.2005
SETTING UP OF SICL REPRESENTATIVE OFFICES ABROAD
Singh Shri Prabhunath

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a): whether Small Industries Corporation Limited had set -up representative offices abroad without proper assessment of the business it was expected to generate resulting into infructuous expenditure running into crores of rupees;

(b): if so, whether the matter was inquired into to fix responsibility in this regard;

(c): if so, the details of action taken thereon; and

(d): the details of the business generated from the efforts of the representative offices?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): The National Small Industries Corporation Limited (NSIC), a public sector enterprise under the administrative control of this Ministry, had set up small foreign offices at Johannesburg, South Africa and Dubai, United Arab Emirates (UAE), in December, 1995 and September 1996 respectively, with the approval of the Reserve Bank of India and the Board of Directors of NSIC. Both these offices have been set up to disseminate information, on technologies of small industrial projects used by the Indian small enterprises, in these countries/regions, to exhibit the machinery and equipment produced in the small scale sector in India and to promote enterprise-to-enterprise and institution-to-institution level cooperation, between India and South Africa/UAE, as the case may be. The office at Johannesburg has been operating as a non- trading office, with the aforesaid objectives, to help generate business for both products and projects from India. The Dubai office has commercial activitie3s of its own also, besides the promotional activities stated above. Though these offices have not yet become self-sustaining, they have largely met the promotional objectives, for which they were established. The performance of the two offices is regularly reviewed by the NSIC. The High Commissioner of India in South Africa and the Ambassador of India in the UAE have strongly recommended continuation of these offices.

(b): In view of the reply to part (a) above, the question does not arise.

(c): Does not arise, in view of reply to part (b).

(d): the business generated by these two foreign offices is as under:

Year	Johannesburg Office Business generated (US $)	Dubai Office Business generated (US $)
2002-03	5,487	78,260
2003-04	2,48,207	98,956
2004-05 (upto Feb.,2005)	82,409	7,62,895